

## Key Points

March 2005

## Conservation Security Program

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### General

- The Conservation Security Program (CSP) is a voluntary conservation program that supports ongoing stewardship of private agricultural lands by providing payments and technical assistance for maintaining and enhancing natural resources. CSP identifies and rewards those farmers and ranchers who are meeting the highest standards of conservation and environmental management on their operations as they address resource concerns.
- CSP was authorized by the Farm Security and Rural Investment Act of 2002 (Farm Bill).
- CSP completes the portfolio of conservation programs. The Environmental Quality Incentives Program (EQIP), Wildlife Habitat Incentives Program (WHIP), and Agriculture Management Assistance (AMA) are programs that help landowners with mostly remedial actions necessary to improve the condition of the resources. The Farm and Ranch Lands Protection Program (FRPP) and Grassland Reserve Program (GRP) are programs that protect land from conversion. The Wetlands Reserve Program (WRP) and Conservation Reserve Program (CRP) are easement and retirement programs. Combined with technical assistance, CSP completes the conservation portfolio.
- Farmers and ranchers may select from this portfolio of USDA conservation programs and technical assistance to make the necessary natural resource improvements on their operations to participate in CSP.
- CSP integrates the conservation success of our other programs to improve the condition of America's working lands and enhance natural resources for the public as a whole.
- CSP is open to producers who have practiced good stewardship on their agricultural lands and additionally provides incentives for those who want to do more.
- Examples of resource concerns are water quantity, water quality, soil erosion, soil quality, air quality, animal management (both domestic and wildlife), and plant condition.
- NRCS is emphasizing soil quality and water quality as nationally significant resource concerns because of the potential for significant environmental benefits from conservation treatment that improves their condition.
- Resources must be treated to a level that sustains the resource base as described in the quality criteria level referred to in the NRCS Field Office Technical Guide (FOTG).
- CSP is available to owners and operators of private agricultural land, including Tribes.
- A staged, watershed-based implementation is being used to operate

The Natural Resources Conservation Service provides leadership in a partnership effort to help people conserve, maintain, and improve our natural resources and environment.

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- CSP. NRCS used a watershed prioritization process to select 18 watersheds from across the Nation for the first CSP sign-up in FY-2004. In FY-2005, CSP went nationwide and 202 watersheds were selected—at least one in every state and the Caribbean area.
- Watersheds are nature's boundaries. They are a common sense way to group together producers working in related environmental areas. Implementing CSP on a watershed basis will reflect the environmental progress we expect from CSP in ways we couldn't expect from working along county or state lines.
  - Every farm and ranch is in a watershed.
  - There were several criteria for selecting the watersheds to participate this year. The watersheds have:
    - A wide variety of land uses (crops, rangeland, pasture, vineyards/orchards) and input intensities.
    - High-priority resource issues to be addressed, including issues that meet their States priorities.
    - A history of good land stewardship on the part of landowners.
    - The availability of the technical tools necessary – such as digitized soils information – to streamline program implementation.
  - A watershed rotation reduces the administrative burden on applicants while it reduces the technical assistance costs associated with NRCS and its technical service providers processing a large number of applications that cannot be funded.
  - Only those producers who have a majority of their land in a selected watershed are eligible to apply for CSP in that sign-up.
  - USDA is committed to the vision of CSP as a nationwide conservation program. Other watersheds will be selected each year with the input of NRCS State Conservationists, until landowners in every watershed have had a chance to participate.
  - Sign-up periods have been created in order to provide for a planned workflow for program implementation and for ensuring that budget limits are not exceeded.
  - Prior to each sign-up, the NRCS Chief will announce a number of enrollment categories. All applications that meet the sign-up criteria will be placed in an enrollment category.
  - Those categories will be funded in order until funding is exhausted.
  - The enrollment categories will be defined consistent with a producer's historic conservation performance, by resource concerns, levels of conservation treatment, and a producer's willingness to achieve additional environmental performance.
  - Other criteria, such as local conservation enhancement activities, limited resource producer designation, nutrient management, pest management, and at-risk species habitat creation and protection, may be used to further define categories and sub-categories.
  - By law, NRCS cannot incur technical assistance costs in excess of 15 percent of the funds expended in that fiscal year for CSP. Given this modest service funding, NRCS must focus and limit the land and landowners that its conservationists can serve at one time. Watersheds provide that focus.

## *Eligibility*

- NRCS will determine producer and land eligibility.
- To be eligible for CSP:
  - The agricultural operation must be privately owned land or Tribal land, the majority of which must be located within a selected watershed.
  - The applicant must be in compliance with highly erodible and wetland compliance provisions, have an active interest in the agricultural operation, and have control of the land for the life of the contract.
  - The applicant must share in the risk of producing any crop or livestock and be entitled to a share in the crop or livestock marketed from the operation.
- Private agricultural land and agricultural land under the jurisdiction of an Indian Tribe, including cropland, grassland, prairie land, improved pasture land, rangeland, and forested land that is an incidental part of the agricultural operation, are eligible for enrollment in CSP.
- If a producer desires to move to a higher level of conservation treatment, cost-share payments for some practices will be available through CSP, up to 50 percent of the cost of the new practice or up to 65 percent for limited resource or beginning producers. CSP participants can take advantage of financial assistance through other conservation programs, including EQIP, WHIP and AMA. All needed practices and management must be in place before a producer can move to the next payment level.
- Land enrolled in CRP, WRP, and GRP, and land converted to cropland after the enactment of the CSP legislation is not eligible for the program.
- Eligible practices include land management and structural practices that protect the resources, except animal waste management related structures or transportation systems.
- CSP has three levels of conservation treatment. There are certain tier eligibility and contract requirements, as well:
  - For Tier I, the producer must have addressed soil quality and water quality to the described minimum level of treatment for eligible land uses on part of the agricultural operation prior to acceptance.
  - For Tier II, the producer must have addressed soil quality and water quality to the described minimum level of treatment on all eligible land uses on the entire agricultural operation prior to acceptance and agree to address one additional resource by the end of the contract period.
  - For Tier III, the producer must have addressed all applicable resource concerns to a resource management system level that meets the FOTG standards on all eligible land uses on the entire agricultural operation before acceptance into the program and have riparian zones adequately treated.
- Producers can use other USDA programs and conservation technical assistance, as well as any appropriate Federal, State, or private programs, to arrive at the high level of stewardship necessary to participate in CSP.
- Other landowners can act now to make their operations more competitive for later sign-ups. Steps include doing the self-assessment, developing a conservation plan, and implementing the appropriate conservation measures.

## ***Applications***

- To apply for CSP, a producer will:
  - 1) Access the CSP Self-Assessment Workbook either online or by picking up a hard copy at the local USDA Service Center.
  - 2) Using the workbook, producers will:
    - Determine whether they meet the basic eligibility requirements.
    - Document their stewardship work, including conservation practices installed on the farm or ranch by land use.
    - Prepare a benchmark inventory documenting conservation treatments they have undertaken so far.
    - Gather necessary documentation of conservation actions.
  - 3) Schedule an interview and submit the completed workbook and CSP application to the Service Center during the sign-up period.
  - 4) Meet with NRCS personnel to go over application and documentation to determine if applicant is eligible.
  - 5) Then, NRCS determines the tier and enrollment category for which the producer qualifies.
  - 6) Finally, NRCS selects the categories to be funded for CSP contracts and makes the CSP payments.
- CSP provides for fair treatment for tenants, allowing a tenant to apply for a contract and receive CSP payments on land meeting CSP standards as long as the tenant controls the land.
- Each contract is tied to an agricultural operation. An agricultural operation is defined as all agricultural land and other lands determined by the NRCS Chief, whether contiguous or noncontiguous, under the control of the participant and

constituting a cohesive management unit, that is operated with equipment, labor, accounting system, and management that is substantially separate from any other. The smallest part of an agricultural operation that could be offered for a Tier I contract is a field.

## ***Payments***

CSP payments include:

- An annual stewardship component for the base level of conservation treatment.
- An annual existing practice component for the maintenance of existing conservation practices.
- An enhancement component for exceptional conservation effort and additional conservation practices or activities that provide increased resource benefits beyond the prescribed level.
- A one-time new practice component for additional needed practices.
- Payment limitations are:
  - For Tier I, contracts are for 5 years; maximum payment is \$20,000 annually.
  - For Tier II, contracts are for 5 to 10 years; maximum payment is \$35,000 annually.
  - For Tier III, contracts are for 5 to 10 years; maximum payment is \$45,000 annually.
- All three tiers include enhancement payments for exceptional conservation effort and additional conservation practices or activities that provide increased resource benefits beyond the prescribed level.
- In addition, three other types of enhancements may be available in any sign-up: participation in an on-farm

project, assessment or evaluation activities, or cooperation among at least 75 percent of producers to implement watershed or regional resource plans.

- Payments are made annually for the life of the contract.
- Payments will not be made for the purpose of maintaining practices required for conservation compliance or where maintenance agreements already exist.
- Contract payment calculations and limitations:
  - Existing practice payments will be calculated as a flat rate of 25 percent of the stewardship payment.
  - New practice payments will be made up to 50 percent cost-share rate or up to 65 percent for limited resource and beginning producers, and are limited to \$10,000 cumulative total for the contract.
  - Annual contract limits for 2005 enhancements will be:
    - ♦ \$13,750 for Tier I
    - ♦ \$22,500 for Tier II, and
    - ♦ \$28,125 for Tier III
  - The variable rates for 2005 enhancements will be 150 percent for 2005, 90 percent for 2006, 70 percent for 2007, 30 percent for 2008, 10 percent for 2009, and reduced to zero after 2009.

### ***For More Information***

If you need more information about CSP, please contact your local USDA Service Center, listed in the telephone book under U.S. Department of Agriculture, or your local conservation district. Information also is available on the Internet at:

<http://www.nrcs.usda.gov/programs/csp/>



Visit USDA on the Web at:  
<http://www.usda.gov/farmbill>

**Note:** This is not intended to be a definitive interpretation of farm legislation. Rather, it is preliminary and may change as USDA develops implementing policies and procedures. Please check back for updates.